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DRS
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INTERIM EVALUATION OF THE MALIK PROPOSAL

Soviet and Chinese Communist statements regarding the Malik proposal still leave unclear whether this proposal marks a change in Communist policy in Korea.

The Malik proposal is of course unique in that it marks the most explicit Soviet reference to possible machinery for a cease-fire and the first time that Moscow has specifically called for an armistice in Korea. It is also the first Soviet intimation of the possibility of a halt to hostilities on the basis of the 38th parallel, and the first time that Moscow has not stated flatly that UN forces must withdraw altogether from Korea.

The significance of these innovations is confused, however, by ambiguities of the proposal, particularly the one arising from Malik's characterization of "discussions" for a cease-fire as a "first step" toward peaceful settlement. These ambiguities obviously leave the way open for the Communists to bring up any issue they wish. Editorial comment from both Moscow and Peking have so far failed to clarify the problem involved. They give no indication of the Communist position on the crucial question of whether a cease-fire can be arranged without Western acceptance, at least in principle, of oft-repeated Communist demands. An explanatory statement made to a US reporter by an "official" Soviet spokesman also contributed little to this puzzle. While this

~~SECRET~~

SECRET

2

spokesman explained that the "first step" would be concerned with working out military aspects of a truce, he implied that this would be followed by a second step in which the political conditions necessary for a final settlement would be arranged.

A "successive step" formula does not, of course, constitute a new Communist approach. Such a formula was put forward by Peiping on January 22 in a Chou En-lai statement transmitted to the UN through the Government of India. This statement "modified" the earlier Peiping stand that a cease fire without a previous political settlement was impossible, saying that "if the principle that all foreign troops should be withdrawn is accepted," a peaceful settlement could be effected in two steps:

"First step: A cease-fire for a limited time-period can be agreed upon in the first meeting of the Seven-Nation Conference and put into effect so that the negotiations may proceed further. Second step: In order that the war in Korea may be concluded completely and peace in East Asia may be ensured, all the conditions for the conclusion of the war must be discussed in connection with the political problems in order to reach agreement upon the following: The steps and measures for the withdrawal of all foreign troops from Korea; the proposals to the Korean people on the steps and measures to effect the settlement of the internal affairs of Korea by the Korean people themselves; the withdrawal of the US Armed Forces from Taiwan the Taiwan Straits in accordance with Cairo declaration and Potsdam declaration; and other problems concerning the Far East."

SECRET

SECRET

3

Chou En-lai added that the right of the Peiping government to represent the Chinese people in the UN would have to be assured.

This proposal of January 22 marked the limit to which Peiping has expressed a willingness to go. Despite its "two steps" aspect, it did not of course mark an actual change in Communist insistence on at least implied Western commitments prior to a cease-fire being put into effect. Communist agreement to a cease-fire without explicit or implicit Western agreement to any conditions would therefore constitute a definite shift in Communist Korean policy. Whether the Malik proposal signals that such a shift has in fact been decided upon cannot now be determined. Concrete Soviet-Chinese action under the proposal will be necessary for a firm judgement. Pending such action, the possibility must continue to be allowed that the proposal is a maneuver designed at a maximum to secure Western acceptance of oft-repeated Communist demands, and at a minimum to further "contradictions" in the Western camp as well as to give added evidence of US "aggressiveness."

If Communist action should confirm a policy shift in Korea it would represent a serious setback for both Moscow and Peiping. Communist propaganda would of course interpret a 38th parallel settlement as a great victory, in fact for some time there has been heavy play on the theme that the Americans have already suffered "a decisive defeat." Nevertheless, no amount of propaganda could disguise the fact that a status quo ante arrangement would involve repudiation of repeatedly asserted Chinese Communist and Soviet objectives. It would also give the lie to all Communist evaluations, including that of Stalin himself, of the

SECRET

SECRET

4

capabilities of the contending parties and predictions as to the inevitable outcome. The Kremlin would have to recognize that the US, and the Western world generally might view the Korean backdown as confirming the correctness of the policy of opposing Soviet pressure with maximum counterpressure and might consequently increase the resolve to push ahead with plans to strengthen the US and Western power position. When added to other developments occurring since 1947, the Korean fiasco would at least suggest, not only to the non-Communist world but to the Kremlin itself, the possibility of a gradual but steady roll back in Soviet power that only drastic action could check.

Acceptance of a failure of such magnitude would indicate a Kremlin assessment that either: (a) the Korean conflict was proving a liability as a pressure operation in the over-all Soviet campaign against the power position of the US and should be written off without, however, any intention of abandoning the over-all campaign; or (b) the over-all campaign itself is producing results that appear too dangerous for Moscow and steps should be taken to ease off pressures in various areas, including Korea, in order that tensions generally will be relaxed.

With respect to a Kremlin assessment that the Korean conflict is proving a liability, there are a number of inconclusive indications that the military situation in Korea and internal conditions in China are deteriorating. Chinese PW interrogations have revealed transport difficulties in north Korea, food shortages at the front and in Manchuria, labor shortages in China, great weakness in the north Korean army, and a

SECRET

SECRET

5

decided impact of battle casualties on the Chinese army. Reports from persons present in China have also noted increasing pressures on the regime, particularly in the economic sphere. Recent intelligence estimates have concluded, however, that despite these difficulties, the Communist camp is not under strong compulsions to effect an early end to the fighting. Communist forces in Korea are believed to retain the capability not only to fight a war of attrition for an indefinite period, but also to launch new offensives. Intelligence estimates have also concluded that internal pressures on the Peking regime will probably not become serious for some time.

Aside from the possibility that these intelligence estimates have misjudged the seriousness of Communist difficulties to date, there can be no doubt that a realistic Kremlin evaluation would have to put heavy emphasis on the following definite consequences of the war: (a) The Chinese Communist have suffered a military defeat and without substantial Soviet assistance have no prospect of victory in Korea; (b) the Korean conflict is serving to stimulate US and West European rearmament, as well as the execution of US plans for Japan; (c) there is a constant threat, which was clearly underscored in the MacArthur hearings, that the war may be extended.

It is entirely possible, therefore, that the Kremlin has decided that continuation of the Korean aggression is too costly from the standpoint of its over-all power position and must be written off as were the guerrilla campaign in Greece and the Berlin blockade. The Kremlin might

SECRET

SECRET

6

calculate that the prestige loss involved in such a write off would in part be compensated by (a) the USSR being freed of the obligation of giving increasing support to military operations; (b) elimination of the danger that developments incident to the war would precipitate a general war at a time and under circumstances that Moscow might consider unfavorable; (c) preservation of north Korea as a Communist puppet; (d) removal of an important stimulus to Western rearmament; (e) relief of China from pressure generated by the Korean effort; and (f) pressure on the US economy as a result of the reduction of war-generated production demands. In addition the Kremlin might feel that impetus would be given to the "peace movement," particularly "neutralism" in Western Europe and Asia, by the demonstration of Soviet "reasonableness."

The Kremlin could write off the Korean aggression without intending to modify its strategy of maintaining maximum feasible pressures on the US. In fact if a simple write off was all the Kremlin had in mind, early inauguration of a new pressure operation in some other area might be anticipated.

With respect to the second possible motivation of a change in Communist Korean policy -- a desire to relieve tensions generally -- it is entirely possible that the Kremlin views the current trend in Europe and Asia, in conjunction with US mobilization, as presaging an early decisive shift in the world power which would present the USSR the prospect of either fighting an undesired war or accepting a position of such relative weakness that it would be powerless to resist US demands. If so

SECRET

SECRET

7

the Kremlin may have decided to adopt a policy of conciliation in the hope that a modus operandi can be established in various critical areas and that stimulus for Western rearmament and Western unity would be reduced. If so a Korean settlement would almost certainly be but a phase of a general reconciliation campaign which could involve, after a certain amount of face saving delay and propaganda cover, a changed Soviet position with respect to other issues in international dispute. This would not of course necessarily mean a change in basic Soviet objectives, or a decision to forego pressure tactics for more than a limited period. It would more likely constitute only a tactical operation designed to check adverse developments and permit Communist consolidation pending a more favorable situation for the exercise of pressure.

SECRET